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**Evaluation of SSI/FSP Joint Processing
Alternatives Demonstration**

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Executive Summary

In 1995, the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA) entered into an agreement with the South Carolina Department of Social Services (SCDSS) to implement a demonstration project to improve the delivery of food assistance to elderly and disabled Supplemental Security Income (SSI) recipients. The South Carolina Combined Application Project (SCCAP) was designed to test the effects of an alternative to the current Food Stamp Program (FSP) regulations governing the operation of an SSI/FSP joint processing system. In conjunction with this effort, the FNS contracted with Decision Information Resources, Inc. (DIR) to evaluate the alternative program including its effect on: FSP participation and benefits, timeliness and accuracy of application processing, administrative costs, and customer satisfaction. This report details the findings of a two-year evaluation of SCCAP, from October 1995 through October 1997.

Study Background

The Food Stamp Program, administered at the federal level by the FNS, provides monthly benefits to help low-income households buy food. To be eligible for food stamps, households must meet certain income and resource criteria. Households in which all members are receiving SSI or Temporary Assistance for Needy Families are categorically eligible for food stamps and are thus exempt from these income and asset eligibility tests.

According to current FSP regulations, SSI recipients are, by definition, automatically eligible for food stamp benefits. Despite this categorical eligibility, studies have shown that the SSI population (i.e., aged, blind or disabled) has not participated in the FSP to the fullest extent possible. To improve the coordination of food stamp services for SSI clients, the Food Stamp Act of 1977 required “joint processing” of SSI and FSP applications, whereby the SSA would provide “pure” SSI households the opportunity to apply for food stamps at the local SSA office. “Pure” SSI households were defined as those in which all members were applicants for or recipients of SSI.

While FSP regulations have allowed pure SSI households to apply for food stamp benefits at the SSA office for many years, joint processing has proved to be ineffective. Consequently, food stamp participation among this categorically eligible population has remained lower than expected. In 1992, the SCDSS reported that only 33,000 (42 percent) of the 78,000 SSI recipients who were categorically eligible to receive food stamp benefits were participating in the FSP (South Carolina SSI Standard Individualized Benefit Project, 1992). To address this issue, South Carolina initiated a two-year statewide demonstration project in October 1995. The South Carolina Combined Application Project (SCCAP), was designed to test the effectiveness of using a single application and information source to:

- Increase participation of SSI clients in the Food Stamp Program
- Limit administrative costs by minimizing duplication of intake and application procedures for two different federal programs
- Improve customer satisfaction with the services received

The SCCAP demonstration was designed to streamline the application process through increased automation and eliminate the need for local involvement or face-to-face interviews with Food Stamp Program staff, unless warranted by special circumstances. Data collected at the time of initial SSI application were to be used for both SCCAP eligibility determination and food stamp benefit calculation. Standard income amounts, shelter expenses, and benefit allotments were also used to simplify the application process.

SSI recipients who met the following criteria were automatically deemed eligible to participate in the demonstration:

- Designated as living arrangement code of “A” (which specifies SSI individuals who report home ownership or rental liability, pay a pro rata share of household expenses, and do not receive both food and shelter from others)
- Reported no earned income
- Declared that they purchase and prepare food separately from other members of the household

To ensure food stamp eligibility, only one-person SSI households were eligible to participate in SCCAP.

Individuals who had excess medical or shelter expenses could choose to apply for benefits through the regular food stamp application process but could not participate in the regular FSP and SCCAP simultaneously. If SSI was denied or terminated at any time during the demonstration, individuals would no longer be eligible for SCCAP but could still apply for or continue to receive benefits through the regular FSP.

Methodology

The evaluation of the SCCAP demonstration focuses on seven study objectives and related research questions. Specifically, the study seeks to address the following objectives:

- Objective 1: Describe the processes involved in implementing the demonstration.**
- Objective 2: Assess the effect of the demonstration on FSP and SSI administration.**
- Objective 3: Assess the effect of the demonstration on food stamp participation of SSI households.**

Objective 4: Assess the effect of the demonstration on the level of household benefits.

Objective 5: Assess the effect of the demonstration on error rates.

Objective 6: Quantify, to the extent possible, the administrative costs of the demonstration.

Objective 7: Assess the effect of the demonstration on client satisfaction.

The SCCAP evaluation was primarily designed to explore the differences between demonstration-eligible SSI clients who participated in the FSP and those who did not participate in the FSP. Demonstration-eligible food stamp participants were further subdivided into two groups: (1) those who participated in the SCCAP demonstration, and (2) those who received food stamps through regular processing, not SCCAP, due to excess shelter or medical expenses.

In addition to stratifying the analysis on the basis of food stamp participation, client data are subdivided into groups based on when the individual applied for and received SSI and food stamps. Individuals are placed in one of three categories: (1) *conversions* – those who were already participating in SSI and the FSP at the time the demonstration began; (2) *outreach cases* – those who were participating in SSI but not the FSP in the early months of the demonstration; and (3) *new applicants* – those who applied for SSI during the demonstration period.

Information needed to address the study objectives and research questions was collected from several different data sources. In addition to using existing data files, additional data were collected on customer satisfaction, staff perceptions of the SCCAP demonstration, and quality control issues. Seven primary sources of data were used to evaluate the SCCAP demonstration:

- SCDSS Client History and Information Profile (CHIP) data files
- SSA's State Data Exchange (SDX) data files
- Telephone surveys of SCCAP-eligible SSI clients
- Telephone surveys of SSA and SCDSS program managers, caseworkers, and claims representatives
- Site visit interviews with SSA and SCDSS program administrators and staff and on-site observations
- Supplemental Quality Control (QC) reviews conducted by the SCDSS
- National- and state-level aggregate data

SCCAP Implementation

Several steps were required to initially implement SCCAP. Early activities focused on four areas:

- **Conversion of existing food stamp participants.** SCCAP implementation began in September 1995 when the SCDSS notified current food stamp participants in one-person, SSI households about their pending conversion to SCCAP. Clients were told to contact their local food stamp worker immediately if they believed that they

qualified for excess monthly shelter or medical expenses. If the client did not decline benefits or claim excess expenses by September 30, their case was automatically converted to the SCCAP caseload.

- **Outreach to inform potentially eligible SSI clients about SCCAP.** In addition to converting current SSI/FSP clients to SCCAP, the SCDSS conducted an outreach campaign to attract demonstration-eligible SSI recipients who were not receiving food stamp benefits. Approximately 42,817 outreach brochures and application forms were distributed to SSI recipients. Other outreach activities conducted included news conferences and mass mailings to community agencies and action groups.
- **Training of SSA and SCDSS staff.** To successfully implement the demonstration, managers and caseworkers had to become knowledgeable about SCCAP and its requirements. Each agency designed and conducted staff training on SCCAP. SSA staff were trained to describe SCCAP and food stamp benefits to SSI applicants, determine the client's interest in applying for food stamps, and perform slightly modified computer entry procedures to incorporate the SCCAP application process within the SSI application process. SCDSS training included the conversion process, SSA's application process, and methods to determine excess expenses.
- **Modification of computer screens and forms.** To automate the SCCAP application process, modification of existing computer programs at SSA and the SCDSS were required. Proposed modifications included: (1) new data fields to indicate SCCAP status; (2) incorporation of the SCCAP eligibility and election statements into SSA data entry screens; (3) built-in edit features to disallow income amounts outside of a set range and automatically calculate the SCCAP benefit allotments; and (4) computer-generated notices.

Major Findings

South Carolina has been successful in meeting the objectives set forth by the SCCAP demonstration. The SCDSS, in collaboration with the SSA and the FNS, has implemented a joint processing alternative that has had positive benefits for both the clients and the agency. The major findings of the SCCAP evaluation are summarized below. Results are presented in relation to each of the three primary objectives of SCCAP.

Increase FSP participation of SSI households

- Estimates based on national data suggest that the rate of food stamp participation among SSI recipients in South Carolina increased from 38 percent in 1994 to 50 percent in 1998 while the national rate decreased from 42 percent to 38 percent during the same period.
- SCCAP outreach efforts resulted in over 8,500 new food stamp cases.

- Each year, approximately 840 new SSI recipients take advantage of the streamlined SCCAP application process and enroll in the Food Stamp Program.

Limit administrative costs by minimizing duplication of intake and application procedures

- Initial start-up costs were estimated to be less than \$200,000.
- The SCDSS estimates it has been able to reallocate the equivalent of 40 full-time caseworkers (at least \$700,000 in labor costs) by centralizing the SCCAP caseload at the state office in Columbia.
- Ongoing administrative costs at the SCDSS are estimated at less than \$125,000 per year. The added burden at the SSA is a mere \$2,360 annually.
- Net potential savings at the SCDSS are estimated at \$575,000 per year.

Improve client satisfaction with the services received

- Almost 80 percent of new SSI applicants report that the food stamp application process at the SSA was “easy” or “neither easy nor hard.”
- Overall, the majority of new SSI applicants were either “somewhat satisfied” or “very satisfied” with: (1) the option of applying for SSI and food stamps in the same place, (2) the amount of time SSA staff took to explain the FSP, (3) the accuracy of the information provided by SSA about the FSP, and (4) the ease of completing the food stamp application process at the SSA.
- Clients who applied for food stamps at the SCDSS office also reported being satisfied with (1) the amount of time staff took to explain the FSP, and (2) the delay between completing the application and being notified about eligibility.
- Demonstration participants reported higher levels of satisfaction with some aspects of the demonstration than those who chose to go through regular processing to claim excess expenses.

Challenges to SCCAP Implementation

While the SCCAP demonstration has met with some success, the SCDSS faced several challenges in implementing this alternative to joint processing. While some improvements still must be made, program staff have managed to successfully overcome most of the barriers encountered. Based on their experiences, SCDSS and SSA staff offer the following “lessons learned”:

- **Systems support is a must.** South Carolina has experienced several problems and delays due to programming difficulties. From the SSA perspective, the inability to modify the SSA data system has limited the ability to automate the food stamp application process. The SCDSS is also forced to manually enter data that could be automatically transferred if the data system were appropriately programmed. While some computer modifications have streamlined the application process to some

degree, further programming is needed to realize the full potential of SCCAP as it was originally envisioned. Although SCCAP is not yet fully automated in South Carolina, program staff report that the current system is still a vast improvement over regular food stamp application processing.

- **The use of standardized shelter expenses can result in decreased benefits for some households and increased benefits for others.** Based on supplemental QC data, the demonstration resulted in a 17 percent reduction in total benefits paid (a monthly average of \$4.47 less per case). Depending on actual expenses, the effect of the SCCAP benefit calculation formula at the individual case level varied: 63 percent received higher benefits under SCCAP compared to what they would have received through regular FSP processing, 36 percent received lower benefits under SCCAP compared to the FSP, and 1 percent received the same amount under SCCAP that they would have received under the FSP. Since federal statute prohibits the use of a standard that increases deductions for households with no or low expenses relative to income, the use of standardized shelter expenses may make future replication of this streamlined application model questionable. Federal regulations also prohibit the loss of benefits as a result of any demonstration project; therefore, the streamlined nature of SCCAP processing makes future replication of this model questionable.
- **Avoid the need to restore lost benefits.** SCDSS staff report that the restoration of lost benefits and transfer of some cases back to the regular FSP caseload was extremely time consuming and labor intensive. The decrease in benefits suffered by many households created great confusion among both clients and staff. It is important that program options (e.g., claiming excess expenses) and the formula used to calculate benefits (particularly the use of standard amounts in place of actual expenses) be clear to all staff to avoid any misunderstandings that may result in lost benefits.
- **Train front-line staff adequately.** SCDSS staff report that the training of their caseworkers did not adequately prepare them to answer the questions raised by clients affected by SCCAP. Program staff suggest that sufficient training (5-7 hours) be provided to all front-line staff before the demonstration is fully operational. This will avoid some of the confusion that is likely to occur when clients are converted to a new program or face new application procedures.
- **Allow for adequate staffing to ensure that applications are processed in a timely fashion.** Because federal statute requires that food stamp applications be processed within a limited time, it is important to have enough staff available to handle the large influx of applications that can result from outreach efforts. SCCAP outreach efforts were delayed in part because of inadequate staffing at the central office and temporary help was hired to clear the backlog of outreach applications waiting to be processed. To avoid this problem, SCDSS staff suggest that sufficient personnel be hired before a major outreach effort is conducted.

- **Certain aspects of the electronic benefit transfer system run counter to the purpose of joint processing.** Joint processing is intended to eliminate the need for clients to visit both the SSA and food stamp offices. In South Carolina, the change to electronic benefit transfer (EBT) technology (from mail issuance of benefits) meant that SCCAP participants had to go to their local SCDSS office to pick up their EBT card and be trained on how to use it. Program staff report that not only is this trip difficult for many of their elderly and disabled clients, but many SCCAP participants do not even understand that they must visit the local office before they can access their benefits.

In October 1997, the South Carolina Department of Social Services was granted an extension of the SCCAP demonstration. Based on the success demonstrated to date, the FNS agreed to extend SCCAP for a maximum of three additional years (through Sept 30, 2000). During this time, Congress will have a chance to review the findings of this evaluation and determine whether the results warrant amending the Food Stamp Act so that South Carolina may continue to use the special provisions of SCCAP as part of its normal FSP operations.

While the problems faced by different agencies in different states will vary, a lot can be learned from the SCCAP implementation. Although some areas of operation warrant further investigation, the SCCAP evaluation findings indicate that this alternative approach to joint processing is worthy of replication on a larger scale.

I. Introduction

In 1995, the Food and Nutrition Service (FNS) of the U.S. Department of Agriculture (USDA) entered into an agreement with the South Carolina Department of Social Services (SCDSS) to implement a demonstration project to improve food assistance delivery to elderly and disabled Supplemental Security Income (SSI) recipients. The South Carolina Combined Application Project (SCCAP) was designed to test the effects of an alternative to current Food Stamp Program (FSP) regulations governing the operation of an SSI/FSP joint processing system. The FNS contracted with Decision Information Resources, Inc. (DIR) to evaluate the alternative program, including its effect on FSP participation and benefits, timeliness and accuracy of application processing, administrative costs, and customer satisfaction. This report details the findings of a two-year evaluation of SCCAP, from October 1995 through October 1997.

This chapter provides a brief background on the FSP, SSI, joint processing, and SCCAP. Chapter II describes the study methodology used to evaluate the project, including the research questions and data sources. Chapter III presents an overview of SCCAP implementation, including a description of the major activities conducted during the start-up phase of the demonstration, the problems encountered, and the solutions presented. Chapters IV through IX discuss the evaluation findings for each of the research questions presented in Chapter II. The summary and conclusions are in Chapter X.

A. The Food Stamp Program

The Food Stamp Program, administered at the federal level by the FNS, provides in-kind monthly benefits to help low-income households buy food. In many states, including South Carolina, food stamp recipients are issued electronic debit cards, which allow them to spend their monthly allotment at approved food stores through an electronic benefit transfer (EBT) system. In fiscal year 1998, the maximum monthly food stamp allotment for a single-person household with no earned income was \$122. Households with income are expected to use approximately 30 percent of their own money for food, and their food stamp allotments are reduced accordingly.

To be eligible for food stamps, households must meet certain income and resource criteria. First, a household must have a gross income of no more than 130 percent of the federal poverty level¹ and a net income, after certain deductions, of no more than 100 percent of the poverty level². Households containing an elderly (age 60 or older) or disabled individual must pass only the net income test. In addition to the income limits, eligible households can own no more than \$2,000 in countable resources, such as a bank account³. Certain resources, such as a home or property, are not counted. Households in which all members are receiving SSI or Temporary Assistance for Needy Families (TANF) are categorically eligible for food stamps and are exempt from these income and asset eligibility tests.

¹ \$1,445 per month in FY 1998 for a household of three, \$855 for a single person household

² \$1,111 per month in FY 1998 for a household of three, \$658 for a single person household

³ Households with at least one person aged 60 or older are allowed up to \$3,000 in resources.

In FY 1997, the national average monthly food stamp allotment was approximately \$71 per person and \$172 per household (USDA homepage). The FSP served an average of 22.9 million people each month in FY 1997, down from a record high of almost 28 million people in March 1994. The decrease is attributed in part to improved economic conditions nationwide. Recent welfare reform legislation (i.e., the Personal Responsibility and Work Opportunity Reconciliation Act of 1996) may also be responsible for the decrease. This legislation calls for strict time limits on the receipt of benefits for non-working, able-bodied adults with no dependents and tighter eligibility criteria for certain groups, such as legal immigrants. It is likely that both of these changes affected FSP participation.

Based on data collected in FY 1995, the average gross monthly income per food stamp household was \$514, and the average household size was 2.5 people. Just over half of all FSP participants were children (age 18 or younger), while only 7 percent were elderly (age 60 or older). Approximately 89 percent of all benefits went to households with children or elderly members. Among the adult participants, women outnumbered men by about 2 to 1. Overall, 41 percent of FSP participants were white, 34 percent were African-American, and 18 percent were Hispanic (USDA homepage).

While SSI recipients are automatically eligible for food stamp benefits, this client population (i.e., aged, blind or disabled) has a low food stamp participation rate in South Carolina. Based on data from the March 1996 Current Population Survey, single-person SSI households in South Carolina had a food stamp participation rate of only 22.3 percent. Across the nation, this population had a food stamp participation rate of 66.8 percent in August 1995 (Trippe & Cody, 1997). While it is not possible to determine the source of this wide difference

between South Carolina and the nation as a whole, it is possible that SSI recipients experienced particular difficulties with joint processing procedures in South Carolina.

Among the factors thought to contribute to low FSP participation among SSI recipients are: transportation difficulties; social stigma associated with receiving food stamps; and the relatively low benefit amount in relation to the effort required for application, verification, and recertification. Further, some individuals may not be aware that the benefit exists or that they are eligible.

B. The Supplemental Security Income Program

The SSI program provides income support to needy aged (age 65 or older), blind, or disabled persons. While the program is administered by the Social Security Administration (SSA), SSI payments are financed by the general revenue funds of the U.S. Treasury, not by Social Security taxes or trust funds.

To be eligible for SSI, individuals must have less than \$2,000 in countable resources (including property, cash, and bank accounts). The resource limit for couples is \$3,000. Certain resources (e.g., a home, a vehicle used for essential transportation, household goods and personal effects of reasonable value, burial plots, and some life insurance policies) are excluded. Income limits vary by state and depend on whether or not the individual is employed. Countable income includes earnings, retirement benefits, Social Security benefits, and “non-cash” payments (such as free food, clothing, or shelter).

Benefits are paid only when an individual’s countable income is lower than the Federal Benefit Rate. In 1998, the monthly SSI payment for an individual living in his or her own household with no countable income was \$494 (SSA Publication No. 05-10024). While some

states supplemented the national standard with additional monthly benefits at the time, South Carolina did not.⁴

Individuals with no countable income receive the maximum benefit rate. Those with some countable income receive payments equal to the maximum benefit minus the countable income. Participants who live in another person's household and receive both food and shelter from others in the household are subject to a one-third reduction in the Federal Benefit Rate. Individuals who reside in public or private institutions and who have more than one-half of the cost of their care paid for by Medicaid receive limited SSI benefits.

In December 1997, approximately 6.5 million people received federal SSI payments averaging \$351 per month (Social Security Bulletin 1998). Disabled recipients (78 percent) received an average monthly payment of \$373, aged recipients (21 percent) received \$268 on average, and blind recipients (1 percent) received an average of \$382. Of those 18 or older, 62 percent were women, 51 percent were white, and 32 percent were black. Fourteen percent were children.

In December 1997, South Carolina reported that nearly 110,000 people were receiving federal SSI payments. The average benefit amount was \$298 per month, with total payments for the state exceeding \$35 million. At that time, South Carolina also provided a State supplement. In August 1997, more than 4,000 people received supplements, for an average monthly combined payment of \$336.

⁴ While South Carolina has provided state-administered supplements in the past, SSA staff report that the supplement amount in 1998 was \$0.

C. Joint Processing

To improve the coordination of FSP services for SSI clients, the Food Stamp Act of 1977 required “joint processing” of SSI and FSP applications. The SSA would provide “pure” SSI households the opportunity to apply for food stamps at their local SSA office. “Pure” SSI households were defined as those in which all members were applicants for, or recipients of, SSI. Under joint processing, SSA eligibility workers are required to determine whether SSI applicants currently receive or recently applied for food stamps. Interested applicants who are members of a pure SSI household can complete a food stamp application with the SSA, either in the field office or by telephone.

SSA offices must forward completed food stamp applications to the local food stamp office within one working day of receiving a signed application. Local food stamp staff are required to process the application and certify eligibility within 30 days. Applicants who are entitled to expedited service must be processed within five days from the day the appropriate state agency gets the application. While applicants are generally not required to complete another face-to-face interview, food stamp staff may contact them by telephone, letter, or home visit to get information to complete the application and certify eligibility. This is most often done when key personal information is missing from the application and not in SSA records.

This SSA joint processing procedure was intended to minimize the application burden on food stamp-eligible SSI recipients who otherwise would have had to maneuver through two lengthy eligibility processes. In the first ten years of the program, the number of people who have applied for food stamps at SSA offices has ranged from 17,000 to 40,000 annually.

D. Problems with SSI/FSP Joint Processing

While pure SSI households have been able to apply for food stamp benefits at SSA offices for many years, joint processing has not been fully successful. The Food and Nutrition Service has identified several problems that may explain why joint processing has failed to meet expectations (Federal Register Notice, 1994). Some of the perceived problems -- such as poor communication between agencies and a misunderstanding of each other's policies -- have been addressed through training and management action. However, more fundamental caseload and processing problems that cannot be changed easily include: (1) limited interest in completing food stamp applications at SSA, (2) incomplete food stamp applications, (3) SSA's telephone application process, and (4) other FSP requirements. Each of these issues is discussed in more detail below.

Limited interest in completing food stamp applications at SSA

By law, the SSA is required to process food stamp applications only for those SSI clients who are members of a pure SSI household and choose to file at an SSA office. SSI clients in "mixed" households (i.e., households in which not all members receive SSI) who want to apply for food stamps are referred to the local food stamp office. A national one-day study of all individuals contacting an SSA office about SSI indicated that only one-fourth of SSI applicants and recipients lived in a pure SSI household. The number eligible for joint processing was further limited by the fact that many already receive food stamps or have an application pending. Additionally, many SSI clients, especially those who wanted expedited service, said they preferred filing at the local food stamp office. Overall, 14 percent of pure SSI household

members did not want to participate in the FSP at all. Fewer than 3 percent of pure SSI households said they wanted to file a food stamp application at an SSA office.

Incomplete food stamp applications

The SSA's efforts to streamline its own application process and the FNS' requirement that SSA offices pass along food stamp applications within one day mean that SSA is rarely able to provide all the relevant information and documentation that the local food stamp office needs to verify eligibility. As a result, local food stamp offices often must recontact the individual to complete the process.

When joint processing legislation was passed, it was envisioned that after SSA forwarded food stamp applications to local food stamp offices, states would use the SSA's State Data Exchange (SDX) files to determine eligibility. Unfortunately, this process did not work as well as expected. While the SSA does gather and verify some required data as part of the SSI application process, it does not collect any medical expense data or shelter expense data for most pure SSI households. As a result, this information does not appear in the SDX files. Unless applicants have this information and the supporting documentation with them at the time SSA takes the application, food stamp offices are forced to recontact applicants to complete the application process. Local food stamp offices may also contact an individual to verify resource and income data if sufficient documentation (either hard copy or via the SDX) is not provided.

When joint processing was first implemented, SSA collected information on income, resources, living arrangements, and other non-disability factors for all SSI clients. However, because in some cases disability decisions took so long that the information initially collected had to be updated, and in other cases much of the information collected was useless because

claims were ultimately denied, SSA changed the way it processes claims to more effectively manage its resources. Under the new guidelines, SSA no longer collects complete income and household information at the initial SSI disability application. Because FNS regulations require SSA offices to transmit all food stamp applications and supporting documentation within one day of the application interview, food stamp applications for disabled SSI claimants are virtually guaranteed to be incomplete. Again, the local food stamp office must contact the individual directly to complete the application process. Multiple contacts by different agencies are precisely what joint processing was designed to avoid.

SSA's telephone application process

Increasingly, SSI applicants are using the option of completing SSI and food stamp applications over the telephone rather than in a face-to-face interview at an SSA office. Completed telephone applications are sent to the applicant for signature, and applicants can either return a signed food stamp application to the SSA, which delays the food stamp application process, or submit it directly to the local food stamp office. In cases where applicants fail to return the application or provide necessary documentation to the local food stamp office, the food stamp office may require applicants to come in for a face-to-face interview to complete the application, thereby defeating the intent of the phone-in system.

Other food stamp requirements

In addition to these structural problems, some food stamp agencies impose other requirements that hinder joint processing. For example, some states require a photo identification card to enhance security, while others issue personal identification numbers for automated delivery of authorization-to-participate cards. Further, some states have implemented

electronic benefit transfer systems, which require in-person training for recipients. These initiatives, by design, often require a face-to-face meeting, something joint processing was designed to eliminate.

In addition, some states are moving to an online automated food stamp application process. Some food stamp offices are inclined to ask pure SSI household applicants to reapply for food stamps at the local food stamp office to accommodate their new system rather than transfer the information from a hard-copy application completed by SSA. Again the intent of minimizing contacts and streamlining the application process is undermined.

There are several other possible reasons why joint processing has failed to meet expectations. Some of the barriers to success could include:

- The length and complexity of the full food stamp application that must be completed by SSA staff
- The possible reluctance of local food stamp offices to accept the SSA field office interview when determining food stamp eligibility
- The erroneous belief by local food stamp offices that state food stamp error rates are higher because of SSA-processed food stamp applications
- The lack of communication between local food stamp and SSA offices
- The difficulty in maintaining an adequate supply of application forms at local SSA offices
- The low level of commitment by both food stamp and SSA field offices to joint processing
- The lack of a “universal” application suitable for both SSA and FSP processes

E. South Carolina Combined Application Project

The South Carolina Combined Application Project (SCCAP), a two-year statewide demonstration project initiated in October 1995, was designed to test the effectiveness of using a single application and information source to:

- Increase participation of SSI clients in the Food Stamp Program
- Limit administrative costs by minimizing duplication of intake and application procedures for two different federal programs
- Improve customer satisfaction with the services received

SSI recipients who met the following criteria were automatically deemed eligible to participate in the demonstration:

- Designated as living arrangement code of “A,” which specifies SSI individuals who report home ownership or rental liability, pay a pro rata share of household expenses, and do not receive both food and shelter from others
- Reported no earned income
- Declared that they purchase and prepare food separately from other members of the household

To ensure food stamp eligibility, only one-person SSI households were eligible to participate in SCCAP. SSI recipients living with a spouse, children, and institutionalized individuals not responsible for their own food purchase or preparation were not eligible for the demonstration project.

SCCAP was designed to streamline the application process through enhanced automation. The eligibility code established by SSA at the time of SSI application was to be transmitted electronically to SCDSS via the State Data Exchange (SDX) file. Applicants who chose to receive food stamp benefits would automatically be enrolled in SCCAP when SSI eligibility was

determined. The SCDSS computer system would then automatically generate a letter to recipients, telling them of their food stamp participation. Applicants who required expedited service could apply for benefits under normal FSP regulations at the local SCDSS office while SSI eligibility was pending. When SSI was approved, applicants would automatically be switched to SCCAP unless pre-existing or current medical expenses exceeded a monthly average of \$35 and/or average monthly shelter and utility expenses exceeded a set threshold (\$203.00 in October 1995). Individuals who they had excess medical or shelter expenses could apply for benefits through the regular food stamp application process but could not participate in the regular Food Stamp Program and SCCAP simultaneously. If SSI was denied or terminated at any time, individuals would no longer be eligible for SCCAP but could still apply for or continue to receive benefits through the regular FSP.

In addition to expected increases in client satisfaction, significant administrative efficiencies were anticipated by minimizing the duplication of client application and intake procedures and through the use of automated food stamp case activation using the SDX file. Further administrative savings were expected through the use of standard income, shelter costs, and benefit amounts (which were to be updated annually). SCCAP benefit levels were predetermined and were based on: (1) the ceiling of income available to demonstration participants (e.g., the SSI Federal Benefit Level of \$458 for households with no countable income or \$478 for households receiving SSI and other unearned income), (2) a standard deduction prescribed by FSP regulations (e.g., \$134), and (3) a standard shelter expense which equaled the sum of the standard utility allowance plus an average shelter deduction. Using these preset amounts, clients and staff were able to forego the time-consuming process of verifying

actual expenses. Further, the use of the standard shelter expense meant that those clients who had little or no shelter expenses could see increased benefits compared to regular processing which was based on actual shelter costs.

The SCCAP demonstration was designed to eliminate the need for local involvement or face-to-face interviews with SCDSS staff, unless warranted by special circumstances. Data collected at the time of initial SSI application were to be used for both SCCAP eligibility determination and food stamp benefit calculation. Information verified by SSA under SSI regulations would be used to satisfy all food stamp verification requirements. Further, SSI recipients reporting changes in household circumstances to SSA would not be required to report those changes to the local SCDSS office as well because this information would be electronically transferred between agencies.

The SCCAP evaluation was conducted to assess the extent to which the demonstration was implemented as originally intended. Further, the evaluation was designed to assess whether the resulting effects on food stamp participation, household benefits, error rates, administrative savings, and client satisfaction warrant the continuation of this joint processing alternative.

II. Study Methodology

This chapter presents an overview of the study design and methodology used to evaluate the SCCAP demonstration. Section A outlines the study objectives and accompanying research questions. Section B describes the overall sample design. Details on the various data sources used in the study are provided in Section C. Relevant analytical issues are discussed in Section D.

A. Research Objectives

The evaluation of the SCCAP demonstration focuses on seven study objectives and related research questions:

Objective 1. Describe the processes involved in implementing the demonstration.

- 1.1 What factors contributed to South Carolina's decision to propose an alternative to joint processing?
- 1.2 What steps were taken to implement the demonstration (e.g., converting current food stamp cases, outreach activities, staff training, and modifications to existing forms and computer systems)?
- 1.3 What problems were encountered in implementing SCCAP, and how were they addressed?

Objective 2. Assess the effect of the demonstration on FSP and SSI administration.

- 2.1 What SCCAP-related improvements occurred in the food stamp application process, including its ease and length of time to complete?
- 2.2 How are data transferred between the SSA and the SCDSS and what effect does matching with SSA's data files have on administration of the Food Stamp Program?
- 2.3 What certification periods are assigned through SCCAP and how do these differ from regular Food Stamp Program requirements?
- 2.4 How has SCCAP affected worker caseloads?

Objective 3. Assess the effect of the demonstration on food stamp participation among SSI households.

- 3.1 What are the characteristics of demonstration participants compared with SCCAP-eligible food stamp participants who choose regular processing?
- 3.2 Did food stamp participation of SSI recipients change as a result of SCCAP?
- 3.3 How did FSP participation change for prior SSI recipients who were not receiving food stamps but were informed of their eligibility for SCCAP?
- 3.4 Does the two-year recertification period affect the length of program participation by ineligible households?

Objective 4. Assess the effect of the demonstration on the level of household benefits.

- 4.1 What is the effect of the demonstration on average household benefits ?
- 4.2 What would benefit amounts be under normal FSP rules?
- 4.3 What is the distribution of excess shelter and medical expenses claimed by SCCAP-eligible clients who choose to go through regular food stamp processing?
- 4.4 To what extent do clients who are denied SSI forgo food stamp benefits while waiting for SSI eligibility determination?

Objective 5. Assess the effect of the demonstration on error rates.

- 5.1 What error rates and types are associated with the demonstration?
- 5.2 What are the monetary implications of these errors?
- 5.3 Does the use of living arrangement code “A” result in increased participation by ineligible clients?

Objective 6. Quantify, to the extent possible, the administrative costs of the demonstration.

- 6.1 What costs were associated with the initial start-up of the demonstration?
- 6.2 What are the major costs associated with the ongoing administration of SCCAP?
- 6.3 What are the costs associated with benefit amounts paid out under SCCAP?

- 6.4 Overall, what is the net effect of the demonstration on FSP, SSA and state agency administrative expenditures as a result of demonstration changes?

Objective 7. Assess the effect of the demonstration on client satisfaction.

- 7.1 Are clients aware of SCCAP, including program options (e.g., claiming excess expenses) and requirements (e.g., reporting changes in household composition)?
- 7.2 Do clients perceive the SCCAP application process to be more convenient and/or simpler than the regular food stamp application process?
- 7.3 Are clients satisfied with the timeliness of benefits?
- 7.4 How do client satisfaction levels differ across subgroups?

In addition to these research questions, this evaluation will also address the lessons learned from the SCCAP demonstration, particularly those that are relevant to national replication of this alternative to joint processing.

B. Evaluation Design

The SCCAP evaluation was primarily designed to explore the differences between demonstration-eligible SSI clients who participated in the FSP and those who did not participate (**SCCAP N**). Demonstration-eligible food stamp participants were further subdivided into two groups:

- Those who participated in the demonstration (**SCCAP Y**)
- Those who received food stamps through regular processing, not SCCAP, due to excess shelter or medical expenses (**SCCAP E**)

In addition to stratifying the analysis on the basis of food stamp participation, client data are subdivided into groups based on when the individual applied for and received SSI and food stamps. Individuals are placed in one of three categories:

- **Conversions** – those who were already participating in SSI and the FSP at the time the demonstration began

- **Outreach cases** – those who were participating in SSI but not the FSP in the early months of the demonstration
- **New applicants** – those who applied for SSI during the demonstration period

The selection criteria used to create these subgroups are provided in Table II.1.

Table II.1
Criteria for Sampling Client Survey Subgroups

Subgroup	FSP Application Date	SSI Application Date
FSP Conversions (SCCAP Y)	Before October 1, 1995	Before October 1, 1995
FSP Conversions (SCCAP E)	Before October 1, 1995	Before October 1, 1995
Outreach (SCCAP Y)	After November 1, 1996	Before January 1, 1996
Outreach (SCCAP E)	After November 1, 1996	Before January 1, 1996
Outreach (SCCAP N)	None	Before January 1, 1996
New SSI applicants (SCCAP Y)	On or after SSI application date	On or after January 1, 1996
New SSI applicants (SCCAP E)	On or after SSI application date	On or after January 1, 1996
New SSI applicants (SCCAP N)	None	On or after January 1, 1996

Source: Decision Information Resources, Inc.

C. Data Sources

Seven primary sources of data were used to evaluate the SCCAP demonstration:

- SCDSS Client History and Information Profile (CHIP) data files
- SSA's State Data Exchange (SDX) data files
- Telephone surveys of SCCAP-eligible SSI clients
- Telephone surveys of SSA and SCDSS program managers, caseworkers, and claims representatives
- Site visit interviews with SSA and SCDSS program administrators and staff and on-site observations
- Supplemental Quality Control (QC) reviews conducted by the SCDSS
- National- and state-level aggregate data

Each of these data sources is described in detail below. Table II.2 summarizes which sources were used to address each of the study objectives and research questions.

Table II.2
Research Objectives/Questions and Corresponding Data Sources

Objectives/Questions	Data Sources						
	CHIP Data	SDX Data	Client Survey	Staff Survey	Site Interviews/ Observations	Supplemental QC Review Data	Aggregate Data
1. Describe demonstration implementation process							
1.1 Decision to implement SCCAP					•		
1.2 Start-up activities				•	•		
1.3 Problems encountered				•	•		
2. Effect on FSP/SSI administration							
2.1 Application processing				•	•		
2.2 Transfer of data from SDX to CHIP					•		
2.3 Recertification					•		•
2.4 Workload				•	•		
3. Effect on participation							
3.1 Participant characteristics	•	•					
3.2 Change in participation					•		•
3.3 Increased participation due to outreach					•		•
3.4 Length of stay in program					•		
4. Effect on household benefits							
4.1 Benefit amounts	•				•		•
4.2 Comparison of SCCAP and FSP benefit amounts						•	
4.3 Standard shelter costs/excess expenses	•				•		•
4.4 SSI Denials	•	•					
5. Effect on error rates							
5.1 Error rates and types						•	•
5.2 Monetary implications						•	
5.3 Ineligibles with living arrangement code "A"			•				
6. Quantify administrative costs of demonstration							
6.1 Initial start-up costs				•	•		
6.2 Ongoing administrative costs				•	•		•
6.3 Cost of benefits paid out	•					•	•
6.4 Net effect	•			•	•	•	•
7. Effect on client satisfaction							
7.1 Client awareness of SCCAP			•				
7.2 Application processing			•				
7.3 Delay to benefits			•				
7.4 Subgroup Differences			•				

Source: Decision Information Resources, Inc.

CHIP data files

Case-level and client-level data were obtained from the SCDSS CHIP data system on *all* food stamp participants, including SCCAP participants and regularly processed demonstration-eligible participants. End-of-month data files from September 1995 through December 1997 were provided by the SCDSS. These data cover the time from one month before the demonstration began through two months after the demonstration was scheduled to end. Data on SCCAP-eligible clients were extracted from each end-of-month file during the demonstration period and merged to form a cumulative longitudinal data file for analysis.

In addition to basic demographic information, the CHIP data files contain detailed information on FSP participation. Specifically, the CHIP data include:

- Application, initial issuance, and recertification dates
- FSP/SCCAP status
- Benefit amounts issued
- Excess shelter and medical expenses
- Household size
- Income sources and types of income
- Resources
- Standard deductions

For a complete list of the variables included in the extracted end-of-month CHIP data files, see Appendix A.

SDX data files

Individual client-level data were extracted from SSA's SDX file. Cumulative data files including information on all SSI clients were received for each month from October 1995 through October 1997. After transferring the data from tape cartridges to CD-ROM, selected data on SCCAP-eligible cases¹ were extracted to create analysis files. Given the cumulative nature of the data files, only two analysis files were constructed. The first (N = 167,069) was created from the June 1997 SDX file. This file was used to select the sample for the client satisfaction survey. A second analysis file (N = 170,181) was created from the October 1997 tapes, the originally scheduled demonstration end date. The October 1997 file serves as the basis for most of the SSI analyses presented in this report.

In addition to basic demographic information, the SDX data files contain detailed information on SSI program participation. Specifically, the SDX data provide information on:

- Application, issuance, and redetermination dates
- Program status (including denial codes and dates)
- SCCAP participation
- Type of claim (i.e., aged, disabled)
- Living arrangement codes
- Benefit amounts
- Income and resources

For a complete list of the variables included in the extracted SDX data files, see Appendix A.

¹ Although participants had to attest to purchasing and preparing their food separately from others to be eligible for SCCAP, this data is not available in the SDX file. For the purposes of these analyses, SCCAP eligibility is based solely on a living arrangement code of "A."

Client satisfaction survey

Telephone surveys were conducted with more than 1,100 individuals who applied for or received SSI sometime after October 1, 1995 and were classified as living arrangement code “A” in the June 1997 SDX file. The survey was conducted between November 1997 and April 1998 under subcontract with the Public Policy Research Institute at Texas A&M University.

The client satisfaction survey (Appendix B) asked respondents a series of questions about their experiences with SCCAP, including information on:

- Perceptions of the convenience, simplicity, and timeliness of the SCCAP application process
- Household composition that may affect categorical eligibility for food stamps
- Perceptions of sufficiency of food in the household
- Knowledge of SCCAP options (e.g., excess expenses) and the possible effect on benefit levels
- Reasons for choice of SCCAP, regular food stamp processing, or nonparticipation in the FSP
- Satisfaction with other specific aspects of SCCAP compared with regular food stamp application processing.

Approximately 2,500 SSI clients were randomly selected to participate in the client satisfaction survey. For a detailed discussion of the sampling methodology used, see Appendix C. The survey sample was constructed to ensure adequate representation (400 respondents) from each of the three food stamp participation subgroups. The number of respondents originally sampled in each strata was inflated to allow for refusals, bad phone numbers, and other exclusions.

Overall, 1,157 client satisfaction surveys (or 96 percent of the targeted 1,200) were completed. This represents a cooperation rate² of 91 percent and an overall completion rate³ of 50 percent. The distribution of the number of completed surveys by strata is presented in Table II.3.

Table II.3
Number of Completed Client Satisfaction Surveys by Strata and Subgroup

Strata/Subgroup	SCCAP Participants (SCCAP Y)	SCCAP-Eligible cases claiming excess expenses (SCCAP E)	SCCAP-Eligible FSP Nonparticipants (SCCAP N)
FSP Converts to SCCAP	104	98	NA
Outreach Cases	145	135	157
New SSI Applicants	155	155	208
Total Sample (N =1,157)	404	388	365

Source: Client satisfaction survey

Of the 1,157 completed surveys, 82 percent were conducted with the client, 12 percent were conducted with the SSA representative payee and 6 percent were completed by the FSP authorized representative. The final client survey sample was:

- 41 percent white, 58 percent black, 1 percent other
- 31 percent male, 69 percent female
- 88 percent single, widowed or divorced
- 26 percent aged SSI recipients

² The cooperation rate was calculated as the ratio of the number of completed surveys to the number of eligible cases who were successfully contacted by phone. The denominator includes individuals who completed the survey, those who refused, and those who terminated the interview before the survey was complete.

³ The completion rate was calculated as the ratio of the number of completed surveys to the number of cases potentially eligible to complete the survey. The denominator includes completions, refusals, terminations, and those whose eligibility could not be determined since phone contact had not been successfully made. Cases who lived out of state or were excluded from the sample for some other reason (e.g., children) were not included in this calculation.

- 74 percent disabled SSI recipients

All respondents were between the ages of 19 and 97, with an average age of 58 years old.

Staff surveys

Telephone interviews were conducted with eight office managers (four from the SCDSS and four from the SSA), eight SCDSS caseworkers, and eight SSA claims representatives. Respondents were selected to ensure that both urban and rural offices throughout the state were represented. Efforts were also made to choose staff members who were familiar with the SCCAP program. As shown in Table II.4, the staff selected had many years of experience with their respective agencies and in their current positions.

Table II.4
Employment Experience among Staff Survey Respondents

Respondent	Average years at agency (range)	Average years in current position (range)	Average years at current location (range)
SCDSS Office Manager (N=4)	25 (17-29)	16 (7-23)	21 (13-29)
SSA Office Manager (N=4)	26 (22-32)	10 (2-18)	13 (3-27)
SCDSS Caseworker (N=8)	6 (1-22)	5 (1-22)	6 (1-22)
SSA Claims Representative (N=8)	14 (3-28)	9 (3-28)	12 (3-27)

Source: Staff surveys

The interviews lasted, on average, one hour and were all conducted by a single interviewer in the fall of 1997. The survey instruments were designed to gather information on:

- Staff perceptions of the convenience and simplicity of SCCAP versus regular processing
- Staff perceptions of client satisfaction with timing, convenience, application procedures, and benefit amounts under SCCAP versus regular processing
- Organizational and procedural changes within local offices created by the introduction of SCCAP
- Estimates of the level of effort and resources required for processing applications through SCCAP versus regular processing

- Recommendations for improving SCCAP

The sample sizes for each group of staff surveyed are small; therefore, generalizations should be made with caution. While the number of respondents is too small to identify statistically significant differences, survey results do provide a glimpse of the distinct perspectives of SCDSS and SSA staff on the effectiveness of the demonstration.

Site visit interviews and observations

Three site visits were conducted over the course of this evaluation. While on-site, the evaluator conducted in-depth interviews with SCDSS and SSA program administrators and staff in both the central and field offices. Topics of discussion during these interviews included:

- Data needs and reporting requirements for the evaluation
- Activities undertaken to implement SCCAP, including modifications to existing systems and procedures
- Resource requirements to implement and administer SCCAP
- Problems encountered with the demonstration and methods used to resolve them
- Lessons learned that are useful for national replication

In addition to collecting information through in-depth interviews, the evaluator also collected program materials (e.g., promotional materials; training manuals; and other written products, including program reports) to assist in documenting and describing demonstration implementation.

Supplemental Quality Control (QC) reviews

As part of their administrative procedures, the Program Quality Assurance Section of the SCDSS conducts quality control reviews on approximately 1,000 randomly selected food stamp

clients each year. These reviews are used to determine the annual error rate and to examine the types of errors made. Because SCCAP accounts for less than 10 percent of the entire food stamp program caseload, only a small number of those selected for review are likely to be SCCAP participants. Consequently, supplemental QC reviews of SCCAP participants were conducted to evaluate the effects of SCCAP on eligibility, benefit levels and allotment errors. Errors detected in the supplemental review process had no effect on the individual's benefits nor did they count toward the state's error rate. For further detail on the sampling methodology see Appendix C.

Although the review instrument used was the same as that used in the regular QC review process, interviews were conducted by telephone rather than in person due to limited resources and time. The review was designed to assess:

- Eligibility for SCCAP and the FSP
- Reasons for ineligibility
- Benefit levels under SCCAP versus normal food stamp processing
- Reasons for any difference in benefit amounts
- Errors in benefit calculation

Overall, 702 reviews were attempted. Of these, 478 (68 percent) were successfully completed; 147 (21 percent) could not be reached by telephone; 23 (3 percent) were deceased; 14 (2 percent) were unwilling to participate; and 40 (6 percent) had either moved, were institutionalized, or could not be interviewed for some other reason. The final sample of quality control reviews reflects a cooperation rate of 97 percent and an overall completion rate of 75 percent.

Aggregate data

In addition to the individual client-level data provided by the SCDSS and the SSA, state and national level data were also obtained when possible. Specifically, aggregate data were solicited on the following topics:

- Program participation rates and participant characteristics
- Benefit levels
- Error rates
- Caseload information

While some of the additional data were gathered from existing records maintained by the FNS, SSA or SCDSS, other items were collected from external sources including:

- **Integrated Quality Control System (IQCS).** The IQCS is an ongoing review of food stamp households, conducted by FNS, designed to measure the accuracy with which eligibility and benefit determinations are made. IQCS reviews track state FSP error rates. Estimates are based on full-year samples from fiscal years 1989 through 1998. Each sample consists of approximately 50,000 households nationwide (about 2 percent from South Carolina) and is weighted to reflect the total number of households actually participating in the FSP that year.
- **Current Population Survey (CPS).** The Current Population Survey is a nationally representative survey of households in the United States that is repeated annually in March. Each year, the survey measures demographic and labor force information for the month of March and collects annual retrospective income and employment information for the preceding calendar year. The demographic data include age, race, sex, marital status, educational attainment, family structure, and place of residence. The economic data include current and retrospective labor force participation and annual income from wages and salaries, self-employment, cash transfers (including SSI), assets, and other sources.

D. Analytic Issues

Several analytic issues must be considered in reviewing the findings of this evaluation:

- In some cases, the tables and figures included in the narrative reflect a condensed presentation of a larger data tabulation or analysis. In such instances, supplemental data tables are included in Appendix D.
- Group comparisons are typically based on SCCAP participation status. Analyses comparing results on other factors (e.g., conversion, outreach, or new applicant status; elderly or disabled claimant status) were conducted only when there was reason to believe that differences between the groups might be expected and had important policy implications.
- Sample sizes vary across analyses depending on the subgroups relevant to each research question. Sample sizes for the various survey questions are also affected by the skip patterns included in the instrument and the number of individuals who provided a valid response to the question. Unless otherwise noted, “Don’t know” and “Refused” responses are excluded from the analyses.
- In some cases, sample sizes are rather small. Generalizations based on these analyses should be made with caution.
- Analyses of the client satisfaction survey data are based on SCCAP participation status as indicated in the June 1997 food stamp data file. Because the survey was not conducted until the November 1997-April 1998 timeframe, it is possible that a household’s SCCAP status may have changed since the time the sample was selected.
- Several of the data sources used in this evaluation (e.g., client survey, staff survey, and quality control reviews) are based on self-report measures. As with all self-report instruments, recall bias and the inclination to provide socially desirable responses may influence the data.
- Extant data were collected for purposes other than this evaluation did not always provide the information needed in a usable format. In some cases, appropriate comparison groups could not be formed due to the structure of the data or the completeness of the data source available.

III. Description of Demonstration Implementation

This chapter reviews the implementation of the SCCAP demonstration. Section A discusses the factors that influenced South Carolina's decision to propose an alternative to joint processing. Section B summarizes four major areas of activity involved in the initial start-up process and includes a discussion of the problems encountered in the early stages and the solutions offered. The ongoing administration of SCCAP is discussed in the next chapter.

A. Overview

The South Carolina Department of Social Services began formally considering an alternative to joint processing in 1992, three years before the SCCAP demonstration was actually implemented. Several factors prompted SCDSS' interest in alternative approaches to joint processing:

- Concern that the state may not be in compliance with the Code of Federal Regulations regarding joint processing
- The large pool of SSI recipients who were not participating in the Food Stamp Program despite categorical eligibility
- The potential savings that might be achieved by reducing the workload incurred by SCDSS staff processing food stamp applications

The SCDSS realized that SSA offices in South Carolina (as in most other parts of the country) were not always collecting food stamp applications as required by federal regulations. At the same time, the SCDSS was not eager for the SSA to take food stamp applications as called for by joint processing mandates. First, SCDSS staff recognized that they would still have to make additional contacts with food stamp applicants to obtain a fully completed and verified application even if the SSA had obtained the initial application. In addition, the SCDSS was concerned about the very short turnaround times required for processing food stamp applications

initiated by the SSA. To remain in compliance with federal regulations, all food stamp applications must be processed within 30 days of receipt by the appropriate state agency. Delays in transmitting applications between the agencies and the need to collect and verify missing data raised concerns at the SCDSS about the feasibility of joint processing.

While SCDSS staff had identified some potential disadvantages to having the SSA take food stamp applications, they also realized that much of the information SSI intake staff collected would suffice for food stamp eligibility determination. In order to take advantage of the information already being collected by the SSA and to minimize the burden on SSI applicants who were also interested in receiving food stamp benefits, the SCDSS initiated discussions with the FNS and the SSA about an alternative joint application process. The alternative would utilize information collected by the SSA and would rely on standard benefit and expense amounts, thus streamlining the application process for both clients and staff.

Discussions regarding this concept in South Carolina occurred before the FNS solicited demonstration projects for alternatives to joint processing. Eventually, the SCDSS' position paper on the proposed alternative approach was submitted in response to the FNS solicitation and was approved as such.

B. Steps Involved in Demonstration Start-Up

South Carolina's plan for an alternative approach to joint processing required substantial planning and a number of start-up meetings among decision-makers in the SCDSS, the FNS, and the SSA. Meetings were held to discuss the design of the program and reach agreement on the details. Regional staff from the FNS and the SSA became involved as planning proceeded among SCDSS and SSA staff in South Carolina. The FNS and SSA national offices approved the SCCAP demonstration in January 1995.

Early activities in implementing SCCAP focused on four areas:

- Conversion of existing food stamp participants who were also SSI recipients
- Outreach to inform potentially-eligible SSI clients about SCCAP
- Training of SSA and SCDSS staff
- Modification of computer screens and forms

Key features of each of these activities, including the challenges encountered, are discussed below.

Conversion activities

SCCAP implementation began in September 1995 when the SCDSS notified current food stamp participants in one-person, SSI households about their pending conversion to SCCAP. Demonstration-eligible households were sent a letter (Appendix E) informing them that they would be converted to SCCAP and receive a standard food stamp benefit. At the time, the standard SCCAP benefit amount was \$30 for households receiving SSI income only and \$21 for households receiving SSI and other unearned income. Clients were told to contact their local food stamp worker immediately if they believed that they qualified for excess monthly shelter or medical expenses. If the client did not decline benefits or claim excess expenses by September 30, the case would automatically be converted to the SCCAP caseload. Caseworkers in the county offices entered a code of "E" in the SCCAP indicator field for any client who provided verification of excess expenses and was therefore qualified to receive food stamp benefits outside the SCCAP demonstration. For all other eligible cases who continued to receive food stamp benefits, a "Y" was placed in the appropriate data field in the food stamp computer record.

In addition to updating the food stamp database, data in the SSI computer files needed to be recoded to reflect SCCAP participation. To initiate this process, the SCDSS notified the SSA

of all clients who were being converted to SCCAP. For each case, the SCCAP indicator field included in the SSA database needed to be updated to "Y" to reflect SCCAP participation. During an August 1998 site visit, the evaluation team found relatively large, unresolved discrepancies in the number of cases that the SCDSS indicates were converted to SCCAP "Y" status compared with the number reported by the SSA. According to a May 11, 1998, letter from the SCDSS to the FSP Southeast Regional Director, 12,120 food stamp cases were converted into the SCCAP demonstration. The SSA, however, reports that approximately 8,800 cases were manually updated to indicate conversion to SCCAP. Despite repeated attempts to resolve the discrepancy, neither agency was able to account for the difference in the number of updated records. SCDSS staff believe that the SSA simply underestimated the number of updated cases. The SSA, however, reports that the number of conversions was a systems-generated count, which therefore, could not be underestimated. The inability to account for the difference in the number of conversions is troublesome and suggests that documentation of the conversion process was inconsistent across agencies and inadequate.

Although SCDSS staff at the central office reported that the conversion process went relatively smoothly, workers in the county offices reported some initial difficulties. In some cases, county workers reported that the 30-day period to verify excess expenses was insufficient for some clients, who needed more time to collect the required materials. Reportedly, caseworkers in some counties automatically transferred clients they suspected were eligible for excess expenses to "E" status even before verification was provided to avoid having these individuals converted to SCCAP.

The greatest challenge associated with the conversion process was addressing the concerns of food stamp participants who were adversely affected by the demonstration. In some

cases, households converted from the regular food stamp program to the SCCAP caseload experienced a decrease in their benefit levels. While the demonstration was designed to facilitate the application process through the use of standardized rent and utility expenses, the SCCAP simplified benefit calculation process resulted in lower allotments for some individuals. Program staff report that this result was not unexpected given the streamlined processing; however, they anticipated that the amount of benefits lost at the individual level would be small, and the SCCAP population overall would not see a decrease in benefits.

Individuals converted to the SCCAP caseload were not the only ones adversely affected by the demonstration. Some households who chose to claim excess expenses and receive food stamps outside of the SCCAP demonstration also experienced a decrease in benefits. Due to confusion regarding the use of the standard utility allowance in computing benefit amounts for these individuals, demonstration-eligible clients claiming excess expenses were required to claim their *actual* utility costs and were not given the option of claiming the standard utility allowance. In some cases, actual utility costs were lower than the standard allowance (\$150) provided for under regular program rules, causing the resulting benefit level to go down. While the food stamp allotments for these households were higher than the standard SCCAP benefit amount, they were lower than the amount previously received under regular program rules.

Because federal regulations prohibit the loss of benefits as the result of any demonstration project (subsection 17(b)(1) of the Food Stamp Act of 1977), the FNS mandated that SCDSS contact all households who lost benefits. Individuals who had claimed excess expenses were sent a letter, telling them they could claim the standard utility allowance of \$150 *or* actual expenses. Households wanting to claim the standard allowance were rebudgeted for the next issuance month, and all lost benefits were restored. Individuals participating in the

demonstration who had had their benefits reduced because of the conversion process were also told they could remain in SCCAP or return to the regular food stamp caseload. When SCDSS received a signed letter in return, central office staff manually updated the computerized food stamp record and issued the lost benefits.

Households choosing to return to the regular food stamp program were sent a follow-up letter with a standard recertification form attached (Appendix E). The central office had to recertify all households reassigned to the regular food stamp caseload because more than one year had passed since their last recertification. Follow-up letters were sent as needed to obtain missing data or verify the information. Program staff report that some households, after receiving the recertification form, indicated that they did not wish to go through the full recertification process and instead asked to remain in SCCAP despite the lower benefit amount. In these cases, lost benefits were restored but the household was not reassigned to the regular food stamp caseload. Program staff report that the difficulty of annualizing expenses and providing sufficient documentation prevents some households from completing the full recertification process. Overall, 1,623 cases were issued restored benefits and returned to the regular food stamp caseload. A total of \$824,022 in lost benefits was restored. While the actual amount received by each case varied, on average, households received \$508 in restored benefits.

The misunderstanding surrounding the use of the standard utility allowance and the difficulty in accounting for the reduction in benefit levels created substantial confusion at both the SCDSS central office, as well as at the local field offices. Memos, staff meetings and informal training sessions were used to address the problem. Once the FNS clarified that all clients were able to claim the standard utility allowance (regardless of their SCCAP status) and benefits were restored, the problem was resolved and has not recurred.

Outreach activities

In addition to converting current SSI/FSP clients to SCCAP, implementation plans called for conducting an outreach campaign to attract all SSI recipients designated as living arrangement code “A” who were not currently receiving food stamp benefits. Although the SCDSS initially planned to conduct this outreach effort beginning in January 1996, outreach activities did not begin until November 1996.

Outreach activities were delayed for several reasons. First, the effort was expected to substantially increase FSP participation beyond the scope and allocated resources of the existing contract for electronic benefit transfers, thus requiring renegotiation of the contract. The SCDSS was also concerned that there was not enough central office staff to process the expected influx of new food stamp applications in a timely manner. Agreements to obtain the additional staff and resources needed to conduct outreach did not occur until late in 1996. The outreach effort was further delayed by the turnover in key state officials, including the governor and the state director of social services, who were not eager to increase the food stamp caseload.

To begin the outreach process, the SCDSS and the SSA developed a list of all people who were not receiving food stamp benefits but were receiving SSI. The outreach population was further limited to those who were designated as living arrangement code “A” and had no earned income. SCDSS sent these individuals a brochure explaining the program and a simple form on which they could elect or decline SCCAP participation (Appendix E). Those who chose to participate in SCCAP had to declare that they had no earned income and either lived alone or purchased and prepared food separately from other members of their household.

Although the potential outreach pool was originally estimated to be 30,000, only 11,900 outreach letters were initially mailed in November 1996. According to federal law, food stamp

applications must be processed within 30 days of receipt by the state agency. Because only one SCDSS staff member was initially assigned to handle the SCCAP caseload, the SCDSS quickly fell far behind in processing applications returned by outreach cases. Concerned that it would be out of compliance with regulations regarding timely processing, the SCDSS mailed the remaining outreach letters in batches over several months. The SCCAP outreach effort was finally completed in August 1997.

The SCDSS distributed approximately 42,817 outreach brochures and applications to SSI recipients. According to SCDSS reports, 10,604 households returned applications requesting SCCAP benefits. Of these, 8,462 new cases were added to the SCCAP caseload.

Other outreach activities conducted by the SCDSS included news conferences and mass mailings. Information about the demonstration was sent to approximately 150 community agencies and action groups to publicize SCCAP and to enlist their help in educating participants and potential participants. Some of the local SCDSS and SSA managers indicated that they did additional publicity through posters and brochures in their waiting rooms. One SSA manager surveyed indicated that publicity efforts included newspaper ads and radio announcements about SCCAP directed to potential SSI applicants.

Difficulties the SCDSS encountered in implementing outreach activities resulted principally from the lack of sufficient staff resources to process the returned applications in a timely fashion. Initially, a single SCDSS staff person was assigned to process all of the outreach applications received. In order to complete the outreach effort in a timely way, five temporary clerical staff were hired to process the returned application forms and enroll eligible persons into SCCAP.

SCDSS staff report that outreach materials were sent to a surprisingly large number of ineligible people. It appears that the reliance on living arrangement code and lack of earned income as indicated in the SSA data files did not adequately screen out ineligible households. Program staff report that future outreach activities should include marital status as an additional selection criterion to better focus the outreach effort.

Staff training to implement SCCAP

To successfully implement the demonstration, managers and caseworkers (called claims representatives by the SSA) in both the SCDSS and the SSA had to become knowledgeable about SCCAP and its requirements. Each agency designed and conducted staff training on SCCAP. SSA staff were trained to describe SCCAP and food stamp benefits to SSI applicants, determine the client's interest in applying for food stamps, and perform slightly modified computer entry procedures to incorporate the SCCAP application process within the SSI application process. The SSA developed a training guide and conducted three-hour training sessions. Topics covered in the training session included:

- SCCAP eligibility requirements
- Determining and documenting SCCAP eligibility
- Documenting SCCAP participation status
- Post-entitlement considerations--determining continued SCCAP eligibility
- SSA office preparation activities, including training staff, recording the SCCAP election statement on computers, and handling pending cases

At least one manager and one claims representative from each of the 20 SSA offices throughout South Carolina attended one of four training sessions. SSA staff attending these sessions were then expected to train others in their offices. SSA staff indicated that, for the most

part, the training process worked well, although adjustments were needed as implementation proceeded. For example, the planned date of SCCAP start-up changed several times. SCDSS also revised some policies and procedures, including the amount of food stamp benefits applicants would receive, even as training was occurring.

SCDSS supervisors were trained by the project officer in charge of SCCAP. SCDSS supervisors were then expected to train all of their staff. Approximately 1.5 hours of training were provided to supervisors in September 1995 (in conjunction with training on other topics). Topics covered in the training included the conversion process that was to be implemented, the SSA's application process, and methods to determine excess expenses. A second round of training for SCDSS supervisors was held in August 1996, and supervisors received a packet of materials detailing the SCCAP process. Although staff in the field offices were supposed to be trained on SCCAP by their supervisors, several caseworkers indicated that they did not receive any formal training. Instead, they report that most of the communication about SCCAP procedures was accomplished through staff meetings, memoranda, and electronic mail notices.

SCDSS staff indicated that training was probably insufficient. Some felt that front-line staff, responsible for taking applications and determining eligibility, should have been trained directly by the SCCAP project staff, rather than by supervisors. Program staff estimate that adequate start-up training for eligibility workers would require between five to seven hours. Caseworkers indicated that they needed a better understanding of the issues involved in computing excess expenses and could have used more guidance on how to best explain the choices between SCCAP or regular food stamp participation to clients. Staff also report that training should have been conducted earlier in the SCCAP start-up process to give field staff an

opportunity to become more familiar with the nuances of the program before the major conversion occurred.

Staff from both the SSA and the SCDSS indicated that more cross-training between the agencies would be valuable. Such training might have reduced some confusion over which agency was responsible for taking applications for food stamps under certain circumstances. SSA staff would benefit from having a better understanding of some of the factors involved in food stamp eligibility determination, and SCDSS staff would do well to better understand the SSI eligibility determination process and timing.

Computer and forms modifications

SCCAP was intended to be primarily an automated process. Designation of SCCAP eligibility and election to participate in the demonstration is indicated in a specific field in the SSI database (SDX). Ideally, when the data are transferred to the SCDSS, the presence of a "Y" in that field would automatically trigger a new SCCAP case in the food stamp data system (CHIP). Necessary personal data in the SDX file would be transferred into the new CHIP record, along with certain standard values for expenses and benefit amounts. The system would then generate a letter notifying the client of enrollment in SCCAP. Because SSA data are transferred to SCDSS several times each month, frequent updates of food stamp records using SDX data would be possible.

To accomplish the necessary automated processes for initial start-up and ongoing SCCAP processing, modification of existing computer programs at the SSA and the SCDSS were required. Some of the desired changes were accomplished within the demonstration period; others were not. Each of the planned modifications will be reviewed below, with a discussion of

what changes were actually made and the difficulties encountered in implementing these modifications.

Creation of a new field by the SSA solely for designating SCCAP status. This planned modification was not accomplished during the two-year demonstration period. As a result, manual updating of conversion and outreach cases was required. The SDX database is a national system used by all states to maintain data on all SSI applicants and recipients. The SDX output is derived from data entered into the Supplemental Security Record from input screens called the Modernized Supplemental Security Income Claims System (MSSICS.) South Carolina's SSA office requested that a new field be added to MSSICS so that it could be used to indicate the SCCAP eligibility and participation status of SSI applicants or recipients. Unfortunately, South Carolina could not persuade SSA central office staff in Baltimore that the demonstration warranted changing the database for one state. Instead, existing fields within MSSICS that designate regular food stamp participation had to be used to record SCCAP eligibility. In order to use the existing field in clients' records, South Carolina SSA offices had to undertake a massive effort to manually clear all inappropriate data from that field for all SSI cases.¹ Once the field was cleared, a "Y" code had to be manually entered for all SSI recipients who were converted to SCCAP.

In addition to updating computer fields for the initial conversions, the SSA manually updates this field for all new outreach cases from the SCDSS who elect SCCAP. Records transferred from other states are also manually adjusted to clear existing data in that field that may have been used for other purposes.

¹ Although these changes were supposed to generate a change record at the state level, this did not occur, therefore the manual deletion process had to be repeated a second time.

Entry of the SCCAP eligibility and election statements into SSA computers. The SSA believed that inserting the text of the SCCAP election statement at the appropriate point in the application process would make claims representatives more diligent about reading all of the required statements to SSI recipients about their potential eligibility for food stamps. The SSA recorded this statement and loaded the file on all computers. Some local offices also prepared a paper form containing the SCCAP election statement for cases that are not processed through MSSICS.

Modification of the food stamp database. Although SCDSS used the existing screens on its mainframe for SCCAP cases, programming changes were needed to modify some parts of the database for the demonstration. For example, a field to indicate SCCAP participation status was created in the CHIP system. The initial codes specified for this field included: “Y” (SCCAP participant), “E” (SCCAP-eligible cases claiming excess expenses), or “N” (not eligible for SCCAP). After initial start-up activities, a “B” code was added to designate those cases that had received a reduction in benefit amounts as a result of SCCAP participation and had elected to return to the regular food stamp caseload after having their lost benefits restored. Updating the SCCAP status field was part of the initial conversion process and is part of the ongoing case management function for the SCCAP caseload. While SCDSS added the field as requested, all data entry is done manually.

The SCDSS also needed additional programming to incorporate built-in edit features that would disallow income amounts outside of a set range and would automatically calculate the SCCAP benefit allotments. Two computer-generated notices were also created as part of the initial programming activities--an SCCAP approval notice and an SCCAP closure notice.

Programs were written to automatically produce these notices as a result of selected actions related to the SCCAP case.

Important challenges in implementing SCCAP in South Carolina have resulted from computer program modifications that were not made by the SSA or the SCDSS. Because the SSA did not create new fields specifically to designate SCCAP eligibility and participation, claims representatives have to use a cumbersome method of navigating the data entry screens to make the appropriate entries regarding SCCAP. At the SCDSS, where the CHIP data file reads the indicator field in the SSI record and identifies new SCCAP-eligible SSI recipients, programming had not yet been implemented to automatically establish a new food stamp case for these households. The original plan to identify all SCCAP-eligible individuals in the SSI file; replicate the record, including personal identifiers; and transfer it into the food stamp database automatically had not been realized by the end of the two-year demonstration period. Instead, the process required a SCDSS staff member to manually re-enter data already in the SSI file when a new SCCAP case is established. This not only creates redundancy but also increases the likelihood of data entry errors.